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SUBJECT: FORMER FOREIGN MINISTER INDICTED FOR CORRUPTION

REF: (A) ACCRA 1068, (B) ACCRA 1085

¶1. (SBU) Summary: On October 14, the State Prosecutor indicted former Foreign Minister Akwasi Osei-Adjei and former Chief Executive Officer of the National Investment Bank (NIB) Daniel Gyimah on corruption charges over their role in importing 10,000,000 Pounds worth of rice from India during the former government. The charges were brought in the Financial High Court, which required the former officials to post bail of \$150,000 in real property. The case illustrates the high profile that corruption is receiving under President Mills, and represents the first prosecution of officials from the Kufuor government. End Summary.

¶2. (U) According to the charges, Osei-Adjei and Gyimah used their government positions to import some 300,000 bags of rice from India between April 2008 and February 2009. However, they are alleged to have diverted 2,997 bags of rice to private use, leading to a financial loss to the state of about \$1 million. The two former officials are charged with stealing, causing financial loss to the state, abuse of public office, conspiracy to commit crime, and contravention of the Public Procurement Act. Osei-Adjei and Gyimah both pleaded not guilty to the charges, and the case has been adjourned until November 4, 2009.

¶3. (SBU) A highly placed member of the opposition New Patriotic Party (NPP) told us October 20 that "something fishy happened" regarding the rice deal, and said he believes Akwasi Osei Adjei personally gained about \$4 million from the deal. He also noted that Daniel Gyimah, who was CEO of the State-owned bank, was a key financier of the transaction, contracted with a company owned by his son, and that friends handled the import of the goods.

¶4. (SBU) Comment: While there are several pending corruption investigations involving the government of former President Kufuor, this is significant as the first case to result in the prosecution of senior NPP officials. Revelations of corruption during the Kufuor administration will take center stage and will likely remain politicized. However, the fact that the President quickly fired two National Democratic Congress (NDC) ministers implicated in the Mabey & Johnson case (reftels) will make it difficult for the NPP to claim Mills is pursuing a partisan vendetta. The previous government's perceived inability to address corruption charges was an important factor in Mills' election victory in 2008 and this case demonstrates the President's seriousness in addressing public corruption. End Comment.

FURUTA-TOY